(c) crown copyright

SECRET

MT

CONFIDENTIAL FILING

Forged Recording of a Telephone Conversation between the Prime Ministes and President Reagan during the Falklands Campaign.

SECURITY

MAY 1983

Referred to	Date	Referred to	Date	Referred to	Date	Referred to	Date
~~22.7.85~~							
~~30.3.84~~							
10.4.84.							

PREM 19/1380

Catalogue Reference:PREM/19/1380 Image Reference:1

SECRET

6

Foreign and Commonwealth Office

London SW1A 2AH

6 April 1984

THIS IS A COPY. THE ORIGINAL IS RETAINED UNDER SECTION 3 (4) OF THE PUBLIC RECORDS ACT

Dear John,

Forged Recording of PM-Reagan Telephone Conversation

Thank you for your letter of 30 March. The Foreign Secretary has also seen Hugh Taylor's letter of 5 April to you.

The question, raised in your letter of 22 July, of the origin of this recording was considered further at the time but no clear conclusions emerged. The Daily Telegraph of 28 July reported that the State Department suspected KGB 'disinformation'. Neither our friends nor CIA considered this very likely, but further analysis would have required a disproportionate commitment of resources which even CIA felt unable to contemplate.

More recently of course articles in the British press have attributed the production of the tape to the anarchist punk band CRASS (the Observer of 22 January and the Tribune and City Limits of 27 January).

Against this background, the Foreign Secretary agrees with the Home Secretary that in view of the duration and irresponsible origin of the letter, it would be preferable to avoid any reference to it.

I am copying this letter to the recipients of yours.

Yours ever,

Len Appleyard

(L V Appleyard)
Private Secretary

A J Coles Esq
10 Downing Street

SECRET

From: THE PRIVATE SECRETARY

CONFIDENTIAL

Prime Minister.

Both the Foreign and Defence Secretaries advise you not to refer to the forgery in Panorama. A.J.C. 6/4.

HOME OFFICE
QUEEN ANNE'S GATE LONDON SW1H 9AT

5 April 1984

DEAR JOHN,

FORGED RECORDING OF A CONVERSATION BETWEEN THE PRIME MINISTER AND PRESIDENT REAGAN

In your letter of 30 March, you invited advice on whether the Prime Minister should be ready, if necessary, to refer to this unpleasant hoax in her forthcoming Panorama interview.

The Home Secretary has no advice to offer in relation to his ministerial responsibilities. He feels, however, that to choose this particular example of such hoaxes would draw undesirable attention to the actual content of it (which is already in the hands of the press). Though it is a blatant forgery, some would insist on believing otherwise. He feels that it would be preferable not to refer to this matter.

I am sending a copy of this letter to Len Appleyard (Foreign and Commonwealth Office), Richard Hatfield (Cabinet Office) and the Director General of the Security Service.

YOURS SINCERELY,

HUGH TAYLOR

H H TAYLOR

A J Coles, Esq

CONFIDENTIAL

Catalogue Reference:PREM/19/1380 Image Reference:1

Security: forged recording of telephone conversation between PM + Reagan
5/83

6 APR 1984

SECRET

10 DOWNING STREET

From the Private Secretary

30 March 1984

Forged Recording of a Telephone Conversation between the Prime Minister and President Reagan

Would you please refer to my letter of 22 July, 1983.

The Prime Minister is giving an interview to Panorama on Monday, 9 April. She said today that she may wish to refer to the forged recording which was the subject of my earlier letter as an illustration of the scurrilous information with which Ministers sometimes have to cope nowadays. But before she takes a final decision on this, I shall be grateful to know whether you pursued further with the SIS the question of the origin of this recording. It would be helpful to have any new information you may have about the source - and also any advice you may wish to offer on the appropriateness of the Prime Minister referring to the forgery.

I am copying this letter to Hugh Taylor, Sir Robert Armstrong and the Director-General of the Security Services.

A. J. COLES

Len Appleyard Esq
Foreign and Commonwealth Office

SECRET

Catalogue Reference:PREM/19/1380 Image Reference:1

SECRET

6

4

10 DOWNING STREET

From the Private Secretary

22 July 1983

Forged Recording of a Telephone Conversation between the Prime Minister and President Reagan

In my letter of 12 July I said that we would attempt to establish whether any of the comments attributed to Mrs. Thatcher in this forged recording can be traced to any statements she has made.

We have checked the records of the Prime Minister's telephone conversations with President Reagan but have not found any similarity between the wording of these and the transcript prepared by the SIS which you enclosed with your letter of 11 July.

However, I enclose a transcript of an interview which the Prime Minister gave to Panorama on 26 April, 1982. Some remarks on the fourth page of this transcript compare interestingly with lines 13-15 of the transcript. I have underlined the key phrases. These may give you the lead which you are looking for. I am afraid that I have not had time to go through the whole recording. You may wish to ask the SIS to examine it further.

I am sending copies of this letter and its enclosure to Tony Rawsthorne (Home Office), Sir Robert Armstrong and to the Director General of the Security Service.

A. J. COLES

Brian Fall Esq
Foreign and Commonwealth Office,

SECRET

Catalogue Reference:PREM/19/1380 Image Reference:1

NOTE: THIS TRANSCRIPT WAS TYPED FROM A TELEDIPHONE RECORDING AND NOT COPIED FROM AN ORIGINAL SCRIPT. BECAUSE OF THE RISK OF MISHEARING AND THE DIFFICULTY, IN SOME CASES, OF IDENTIFYING INDIVIDUAL SPEAKERS, THE BBC CANNOT VOUCH FOR ITS ACCURACY.

P A N O R A M A

Recorded from transmission on BBC-1 at 2010 — 26th April, 1982

.....

ROBERT KEE: Good evening from Downing Street. The Falklands crisis is at a new and potentially dangerous turning point. The Government has made it clear that the recapture of South Georgia is designed to strengthen negotiation and not to end it. But time, as the Prime Minister herself stressed in the House of Commons this afternoon, is getting short and President Reagan has said it's running out.

Mrs Thatcher has just come from Number-10 to join Richard Lindley and myself a couple of doors away here at the Whip's office at Number-12. We'll be discussing with her the prospects of peace or war in a moment. But first, for the latest developements in the crisis, over to Philip Tibenham in the Panorama studio.

PHILIP TIBENHAM: Well, it seems in spite of Argentina's firm announcement that all negotiations were off, they may — just may — still be on. We hear that Mr Costa Mendez, the Argentine Foreign Minister, may still have an extremely private meeting with Mr Alexander Haig later tonight in which, no doubt, he'll be pressed again to negotiate. They're both in Washington for a meeting of the Organisation of American States — this is an alliance of American countries, including the United States. Argentina's called the meeting to demand that member countries should regard an attack on the Argentine as an attack on all of them. The OAS is due to reconvene within the next half hour.

Back home, Mrs Thatcher reported on the South Georgia raid to the House of Commons and received almost unqualified support. But Mr Foot pressed her to negotiate and to reveal the details of the negotiations to the House. Now it's emerged during the day that the raid wasn't quite as simple as we thought last night. The town of Grytviken did fall fairly easily, but there was some fighting during the night at Leith and it wasn't until ten o'clock this morning that surrender was complete: a hundred and eighty prisoners; no British casualties and only one Argentine seriously hurt. The prisoners will be sent home and senior Argentine officers were given a civilised dinner on board the British ship.

Back in Argentina, no such niceties. These crowds were shouting for their soldiers to kill British troops and later tonight the Argentine trade unions plan to hold a huge
FB

Catalogue Reference:PREM/19/1380 Image Reference:1

PHILIP TIBENHAM: .... demonstration against Britain. Around the world there was mixed response to the raid. The New Zealand Prime Minister, Mr Muldoon, called the assault a splendid feat of British arms. But European countries were more cautious saying that further escalation should be prevented, while Japan called the use of force "regrettable" so long as negotiations were still going on. In America, President Reagan was still trying to be evenhanded in his help to both Britain and Argentina. He said that time was running out, but he'd do everything possible to find a peaceful solution.

But what about public opinion here? Over the weekend, Panorama commissioned a special poll by MORI by questioning a panel selected for the Economist who'd been monitored since the crisis started. It's been possible to see whether there's been any shift in people's thinking.

Two weeks ago sixty percent were satisfied with the Government's handling of the crisis. Last week sixty-eight percent. This weekend seventy-six percent. And the parties gaining ground in the wake of this approval. People were asked: if there were a general election tomorrow which party would you vote for? Two weeks ago the Tories scored thirty-three percent; last week thirty-six percent and now it's up to thirty-nine percent. But these questions asked on Saturday were about the Government's policy of backing diplomacy with the threat of force. When people were asked about actually using force, it was a rather different story. Worringly from a Government point of view, more people were against Britain shooting first while negotiations were still taking place. People were asked: - and bearing in mind this was before the South Georgia operation - "Should Britain fire first even if diplomatic talks are still going on?" Forty-three percent thought we should, but fifty-one percent thought not. Mind you given the smoothness of the operation the same question now will probably throw up a rather different answer. Now the Government faces much more difficult problems. "What are we going to do now about the Falklands?" And this is where opinions are less certain. We asked: "Do you think that retaining British sovereignty over the Falklands is important enough to justify the loss of British servicemen's lives?" Over half thought that it was justified. But what about risking islanders' lives? When we asked whether that sort of loss will be justified, there was a straight split: forty-six for and forty-six against. But that's more people in favour than last week. Now one theory is that our next step should be to bomb Argentine air bases to ensure our air superiority. The public seems reluctant to approve this sort of action. "Should we bomb Argentine military bases?" Thirty-three percent were in favour, but fifty-eight percent were against. But there is solid support for Mrs Thatcher's insistence on the islanders determining their own future. "In any settlement should the Falkland islanders have the last say?" A massive eighty-three percent said "yes". On the other hand when we asked: "Is it wrong to go to war even

FB

Catalogue Reference:PREM/19/1380

Image Reference:1

PHILIP TIBENHAM: .... if the Government's long-term intention is to give up the islands?" Over half — fifty-seven percent — thought it was wrong. Overall then our poll seems to show that Mrs Thatcher has broad support so far, but the hardest decisions have still to be taken. Now back to Downing Street.

ROBERT KEE: Prime Minister, thank you very much for giving us your time when you must have even less of it to spare than usual. May I come straight to the point and say that while the country is indeed still rejoicing, as you put it, at the remarkable success of the South Georgia operation and I think particularly because there was no loss of life, there is a certain amount of concern about where we go from there. Is there any prospect this evening that our military success has brought a diplomatic solution any closer?

RT.HON.MARGARET THATCHER,MP (The Prime Minister): I think there's bound to be concern and I'm the first to feel concerned because when you know you've got your own forces out at sea and Marines are landed on an island and you're worried about whether the operation could be a success then I know exactly what anxiety and concern are like and for the families, too. I don't believe that diplomatic negotiations will have any chance of success unless they were backed up by the task force and a certainty on the part of the Argentinians that we would use that task force if need be. I've always hoped that we wouldn't have to use it because after all that United Nations resolution was passed just over three weeks ago. It told the Argentinians to withdraw and all they've done is pile on more and more soldiers and more and more equipment into the islands. And in the meantime our people — our British people — are living under that occupation. This is a totally wrong action, totally unprovoked aggression and if actions like this were allowed to stand then there'd be many many territories the world over where people would fear the invader.

KEE: You did say in the House of Commons this afternoon that there was a better chance of a peaceful settlement if you increased military pressure on Argentina. That does rather suggest that perhaps this was a prelude to another military move rather than an immediate diplomatic offensive.

MRS THATCHER: The first thing we did was to send the task force and then I think there was a feeling growing up that we wouldn't use it. Well, it was obvious that we needed to recapture South Georgia. It is, after all, a quite separate British dependency. It's not a Falkland Islands dependency, it's a British dependancy and it's very important. Of course we will try to go on getting a peaceful settlement. No one wants it more than I do. It seems to me absurd that Argentina doesn't withdraw her youngmen from those islands under the United Nations' resolution. If she did and we could get, say,

FB

Catalogue Reference:PREM/19/1380 Image Reference:1

MRS THATCHER: .... the United States to guarantee the security of the islands or even, perhaps, a United Nations' force then we could withdraw our task force and then there would be hope of solving it all peacefully. That's my objective and what I shall work for.

RICHARD LINDLEY: Prime Minister, you said this afternoon that the urgent need is now to speed up the negotiations. But has the use of force in South Georgia really done that; has it helped that process? Far from it bringing Argentina closer to a diplomatic deal their Foreign Minister's been saying that for the moment negotiations are at an end. Is there a danger, do you think, that you've stiffened the resistance of Argentina instead of making them more amenable?

MRS THATCHER: I don't think so. Don't forget we didn't use force first. Britain didn't break the peace; Argentina used force; Argentina is the invader; Argentina is the occupier. So it's not for her to complain about other people using force to recapture our own possessions and to see that our people don't live under the invader. After all, in a way Argentina is punishing those British people there because they refused to belong to Argentina. They refused to let us discuss sovereignty with Argentina. Now in the face of what's happened in the last three weeks, in the face of the fact that Argentina hasn't withdrawn at all but has piled on her soldiers and equipment and aircraft onto those islands I don't think the fact that we took South Georgia will increase the Argentines resistance to a peaceful settlement. I hope it'll make them realize that we are quietly determined in support of a principle. We don't want to use force; democracies never do.

KEE: There is always then this difficult problem, isn't there, in using force as backing for diplomacy that if you use the force and it's successful, as it was in this case, you do injure Argentinian pride and, perhaps, make them more intransigent rather than more pliable.

MRS THATCHER: Force has been used. It's been used against our territory; against our people. It's been used totally illegally and if this kind of force is allowed to succeed there'll be many many other examples the world over and someone, some country has to care enough about it to say 'stop'. It's like, in a way, those hijackings. Some people take the view...some countries,oh, have the hijacked plane through here as quickly as possible. That's the way to increase hijacking. When we got one coming here I said 'right, they've come down here and understand they're not going to take off again'. That's the way to stop hijacking. Similarly, to see that an invader does not succeed is to stop further invasions and to really stand up for international law against international anarchy.

KEE: And you mean it's not a hijacker's pride that is your first consideration when dealing with him?

FB

Catalogue Reference:PREM/19/1380 Image Reference:1

MRS THATCHER: My first consideration is the British people on those islands who for years and years would not let us even discuss sovereignty with the Argentinians because they did not want to go under the Argentine and the Argentine is now punishing them for it and it's our duty to them, our people, our sovereign territory, to stand up for them and to show the whole world we're prepared to.

LINDLEY: If this military action for South Georgia is designed to spur negotiations on, as you say, how long will you give Argentina to respond before you have to take the next military step?

MRS THATCHER: One thing I was trying to explain in the House this afternoon is that you can't just go on indefinitely with negotiations. Some people say that "don't use force while the negotiations are continuing". It's a very easy argument, isn't it? It just enables the Argentinians to carry on negotiations on and on and on — a perfectly easy ploy. And in the meantime it will get more and more difficult for us to use a military option eight thousand miles away from home; with the onset of winter; in very terrible weather; gales; freezing; that will be their ploy. That could not be so. They've had three weeks. Three weeks in which to start to withdraw their forces. Three weeks in which to negotiate through Mr Haig. We had to take South Georgia at the best possible time. I have to keep in mind the interests of our boys who are on those warships and our Marines. I have to watch the safety of their lives, to see that they can succeed in doing whatever it is we decide they have to do at the best possible time and with minimum risk to them.

LINDLEY: So how long will you give Argentina?

MRS THATCHER: Every day is important and has always been important to me. Argentina has had over three weeks. We had to go to recapture South Georgia at the best possible time. Al Haig has been saying time is getting short for some time, it is. But you know the whole situation would change if when he sees Mr Haig tonight he would agree to withdraw his forces from the Falklands if on condition that when he had finished withdrawing his forces our task force would withdraw. Surely that would save their face. Their troops withdrew and then our withdrew but there'd have to be some guarantee of security for those islands and then we could resume negotiations. That's what the United Nations' resolution said. That resolution in theory has the force of international law. But, of course, the United Nations has no means of enforcing it.

LINDLEY: So you can't say at the moment how long you will give Argentina before we move again?

FB

Catalogue Reference:PREM/19/1380 Image Reference:1

MRS THATCHER: No, of course, I can't. And I shall be very remiss if I were to give any hint because it would put the lives of some of our people at risk and that I would never do.

KEE: Prime Minister, you did say in the House of Commons this afternoon that the military options were, indeed, very limited in these stormy South Atlantic seas and one understands what you mean by that, but does this mean that in fact we can't just go on sitting there keeping our blockade by sea and air of the Falklands because the seas are so stormy and it would not be a practical proposition and we would therefore, perhaps, have to go against the Falkland Islands themselves fairly quickly?

MRS THATCHER: I can't give you any operational decisions. It's obvious that you simply cannot go on sitting there for ever with the very large task force that you've got. We have two aircraft carriers, they're there. We have a large number of ships, they're there. We can replace some of them, not all of them and you have to decide what is the best time for the military option bearing in mind the safety of your own people and their capacity to do whatever they have to do with minimum loss of life. I must say that matters to me a great deal and it matters also to our armed forces that whatever they have to do they do it in the best possible way and, of course, they did on South Georgia and we were all very pleased indeed.

KEE: Of course we have I suppose in a way already slid into the next military option in as much as the blockade must just be about to be complete both by sea and air. Aren't we without even the Falklands air strip really very dangerously exposed to attack by air both from the Falklands themselves and from the Argentina's land bases?

MRS THATCHER: It is a very considerable task force. It has a good Harrier force on board the aircraft carriers and as you know I announced some time ago that we're reinforcing with twenty more Harriers. They're very very effective aircraft.

KEE: Of course they would take some time to get there still?

MRS THATCHER: They would take a little bit more time to get there still. I have the feeling you're trying to probe about operational things. I can't help you and you'll understand why.

LINDLEY: Can we ask you a point of principle then as to how far we might be prepared to go. I don't know whether you can answer this. Do you rule out an attack on Argentine air force bases on the Argentine mainland. Surely that may well be necessary both for a successful blockade of the Falklands even more so if at the end we have to make a landing on them.

FB

Catalogue Reference:PREM/19/1380 Image Reference:1

MRS THATCHER: You're doing just exactly what I said I cannot do. You're asking me what sort of options we will consider. I am saying that our first duty is towards the British people who are living under the invader and to make it perfectly clear that an invader must not succeed. We will always use minimum force at all times. We're a democracy; that is what we believe in. The democracies love peace and liberty; they stand for self-determination. If the Argentine also would allow self-determination as a major principle things would be very different. We shall always use minimum force to attain our objective.

LINDLEY: Would you rule that option out of bombing their mainland airports?

MRS THATCHER: There's a classic way of asking. You ask directly and the next question, if you don't get a reply, is "will you rule that option out". I am not replying in any way. I want minimum escalation. But please, again, we constantly come back to the same point. Argentina was the invader. The Argentine is occupying British territory with British people under its heel who do not wish to be there and to whom can those people look except to Great Britain?

KEE: Prime Minister, may I ask you what I hope is a political and not a military question and you were asked it up to a point in the House of Commons this afternoon. How much political control is there should there be further action in the South Atlantic? That's to say is the admiral of the fleet or are the officers under him responsible for the action they take or does every action virtually have to be referred to Downing Street?

MRS THATCHER: I think it's reasonably obvious that the main actions have to be referred to Number-10, not just to me. Of course no one person can take these decisions. We have obviously an 'inner Cabinet' to which we often refer and also the Cabinet for the really big things. But then the way in which they're carried out you simply could not run a war in the South Atlantic from Downing Street or from this country, of course not. But the big decisions of course are taken by the government and the way in which they're carried out, naturally the details, the details in which they're carried out is up to the commander in the field.

KEE: Now that the shooting war has up to a point started might it not be time for you take leaders of other political parties into your confidence about what you're doing?

MRS THATCHER: It would be almost impossible on operational things as the thing about those is to keep extremely quiet for very obvious reasons and also I think some of them — I know Michael Foot feels this because he doesn't want it. He's a

FB

Catalogue Reference:PREM/19/1380 Image Reference:1

MRS THATCHER: .... very experienced politician and I think he probably feels as I would feel if I were in his position that he could only be given information on the basis not only he would not use it; not mention it to anyone but he could not use that information to colour what he said in the House of Commons. Now in a way that might deprive him of carrying out effectively his first duty which is constructivly to criticise the government of the day. And this I think is the reason why he stood out against it the whole time. You can't have just one, you have to have them all in. I had some experience of this when I was in Opposition when Harold Wilson had the leaders of all the political parties in on one or two occasions about Northern Ireland. We didn't get anywhere because he really couldn't tell us anything which he wouldn't be prepared to tell Parliament. And so I'm very wary of it. I mean my job is twofold. One, to try to secure a peaceful settlement and secondly, in the absence of it, to make certain that an invader does not succeed and that our people come back to being British on an island whose sovereignty has not been changed because it's invaded.

LINDLEY: Prime Minister, can I ask you this: what is the danger do you think that this crisis will escalate to involve other countries, perhaps even involving Russia in some way in support of Argentina?

MRS THATCHER: I don't believe it'll involve the Soviet Union.

LINDLEY: Other countries?

MRS THATCHER: I don't believe it'll involve other countries.

LINDLEY: You think you can contain it?

MRS THATCHER: Yes. You know other countries are obviously very slow to become engaged. This sometimes can help. For example as we helped the United States in a multi-national force in Sinai. Because when that withdrawal was undertaken, and as you know that was good news also this weekend, on the Egyptian-Israel agreement. The United States asked ourselves and a number of other countries to take part not in an United Nations force but in a multi-national force to see that a withdrawal took place and that it was adhered to. Some countries will come and help in those kind of operations, but not get involved in the immediate dispute. But I again stress we'd all cheer everyone loudest of all if we could get a peaceful settlement which is the withdrawal of Argentine troops and then, eventually, self-determination for our people in the Falkland Islands.

LINDLEY: You took action in South Georgia before the Organisation of American States had met as they're doing now. What happens, how will you react if their decision goes against Britain?
FB

Catalogue Reference:PREM/19/1380 Image Reference:1

MRS THATCHER: Yes, can I make one thing clear? There are certain international meetings scheduled but you can't, when you're deciding to take action, have those paramount in your mind for the simple reason that supposing you were to say "look we won't take that action now". You're dealing with the most inclement, uncertain weather conditions in an area where gales are the usual order of the day. So you have to decide on practical considerations ••••••

LINDLEY: Like 'D-Day'?

MRS THATCHER: Like D-Day? You have to decide on practical considerations when to take your military action. We owe that to our own boys and you simply can't say "you must try to stop for a couple of days because of the OAS or another meeting" because you might be putting them in greater danger or not be able to take it. I think the OAS...naturally quite a number of the states in Latin America will feel that they must support Argentina in her claim. I don't think many of them will support her in the use of force. Certainly not from what they've said. And as you know that part of the world, South America and Central America, is littered with territorial disputes and many of them will know if one country succeeds in getting territory by invasion there'll be a lot of invasions on border territories in South America and possibly in Central America, too. I mean we have one. We have a garrison in Belize still. That garrison is kept in Belize, even though Belize is now independent, in case of invasion from Guatemala. There's another one in the British Commonwealth. Forbes Burnham was very much with us in the Security Council — Guyana, she's on the Security Council. Venezuela lays claim to two-thirds of Guyana's territory. All of these people are watching and hoping that we'll succeed.

LINDLEY: Prime Minister, can I get you to clarify what seems from what you've already said to be sticking points. First that the Argentine invasion forces must leave the Falklands. Second, that the islands should return to British administration. On your first condition does that mean that every Argentine must withdraw or would you allow some Argentines to remain behind, perhaps civilians or policemen or something like that?

MRS THATCHER: Oh well, the military forces must withdraw, that's the United Nations resolution. The military forces must withdraw completely.

LINDLEY: Could they remain behind in any way as civilians or policemen or something like that?

FB

Catalogue Reference:PREM/19/1380 Image Reference:1

MRS THATCHER: There are on the Falkland Islands about forty Argentinians but only about twenty who reside there and the others change over for business reasons, some of them do a spell of duty from Argentine and so there's quite a turnover.

LINDLEY: They could stay?

MRS THATCHER: Look, the Falklands has no Argentine history as far as Argentinians living there are concerned. The people there are of British stock. The enormous majority about eighteen hundred of them and about twenty civilian residents and about twenty others who come from time to time.

LINDLEY: Could we share in any civilian interim administration with Argentina?

MRS THATCHER: Well, you're talking about an interim administration as a means of restoring to the longer term solution. There obviously would have to be an arrangement to supervise the withdrawal from the islands and, of course, such an arrangement was one that is being considered although the details of course are not decided in any way.

KEE: But can I be quite clear with you, Prime Minister, the British government would be prepared to negotiate on the first stage of the Argentine withdrawal; would perhaps be prepared to offer some conditions in return for the immediate Argentine withdrawal. I'm not talking about any later settlement but in the first stage which you emphasized so rightly where we must get the Argentines off we would perhaps be prepared to offer something to induce them to get off?

MRS THATCHER: It's a matter of practicality really. They've got a lot of forces there and they have to get off and someone has to supervise the withdrawal. So you need to have some authority to go on actually to supervise that withdrawal and to see that it was carried out in accordance with any agreement. So that in itself would mean some interim arrangement. In the meantime, of course, the law and administration has to be carried on and the law is British law and the executive and legislative council are the British executive and legislative council and most of the work is done and exercised through them in accordance with the constitution of the Falkland Islands.

KEE: Presumably you'll be thinking of U.N. or possibly U.S. administration to help you in that interim period?

MRS THATCHER: This is one thing that Mr Haig is considering.

FB

Catalogue Reference:PREM/19/1380 Image Reference:1

KEE: Well, can we then look at this that this would be a way which would comply with our requirements for the removal of Argentine forces and compliance with the U.N. Security Council resolution. But they're not going, so we do have to offer them something to get off. What could we offer them?

MRS THATCHER: You say they're not going and we have to offer them something. You mean that an invader has to gain from his invasion?

KEE: I don't mean that.

MRS THATCHER: That's not the way the United Nations put it at all. You have to have withdrawal of those forces. Certainly you'll have to have that withdrawal administered and verified. There can be no possibility of negotiating a long-term solution before that withdrawal and one always constantly makes it clear that the sticking point which I think is what you're on. The sticking point for us is the right of self-determination. It is after all in the United Nations charter itself although many people who ascribe to that charter do not allow self-determination to their own people.

KEE: Before we come to that — I wasn't quite on that point yet though it is obviously extremely important for the final solution — I was talking about this early phase when ...you yourself have called 'interim phase' and your Foreign Secretary called the 'interim phase' ... in order to get them to comply it does seem you have to offer them something because they're not going or we'll have to use force. Could we offer any form of joint Argentine administration or could we allow them just to keep their flag there because they've made such a point of their flag staying at all costs?

MRS THATCHER: What do you mean 'keep their flag there'? Not as an indication of sovereignty in any way. After all if an ambassador is in a place he flies his own flag in his own grounds.

KEE: That might be tolerable?

MRS THATCHER: But I mean our ambassador in our grounds all over the world will fly his own flag on his own ground but not a flag as an indication of sovereignty in any way. The sovereignty is British and it's not changed by invasion.

KEE: And the sovereignty, of course, is to be possibly negotiated in the or talked about, shall we say, in the second phase?

MRS THATCHER: We have in a way been discussing sovereignty for quite a long time. This whole thing started to come up again in 1965. It's gone on under successive governments. Now
FB

Catalogue Reference:PREM/19/1380 Image Reference:1

MRS THATCHER: .... whenever we have talked to the Argentines we have always insisted under my government that we consulted with the islanders first to find out what their wishes were and in the months before the invasion whenever we met the Argentines on this problem we had with us two members of the Islands' council and actually we were at last getting on rather well together. That's the tragedy of it...getting on very well together and we had agreed to an Argentinian proposal that there should be a negotiating commission and the islanders were happy with that and it was going to be referred back to the Falkland islanders and referred back to this government. So in that sense we have been talking about it, but if it came even to talking about lease-back the islanders wouldn't contemplate it. I mean their loyalty to Britain is fantastic and that's why we really...another reason why we just have to stick up for them and to stick up for our friends and show the world that someone is prepared to do that. We must stand by them.

LINDLEY: Just before we come to the islanders and w& will. Obviously from what you say they remain paramount as far as you're concerned. On that question of sovereignty I think what confuses some people is why we are prepared to fight and apparently die if we have to to sustain our claim to sovereignty of the Falklands while as you say yourself your government along with other governments has been quite ready to try to find a way of negotiating sovereignty away to Argentina?

MRS THATCHER: First there's the point: an unprovoked aggressor, an invader must not succeed in taking by force what the people have rejected by negotiation. Secondly, they wish to stay British. We must stand by them. Thirdly, democratic nations believe in the right of self-determination. Britain has taken more colonial territories to independence than any other nation in the world. We've done it always by saying "now what do the people in that territory want" and we've negotiated with them a constitution. This also must apply to the islanders. Britain does stand up to the things which I've indicated: the liberty, the law, the democratic rights and against an invader succeeding. And we are doing that. But the idea that we're just going to say "all right hand over sovereignty to the Argentine", that's what the Argentine wants. But she will not consult the people at all. The right of self-determination is under the United Nations charter for the people. It is not certainly the only thing because when you come to the dependencies, namely South Georgia and South Sandwich, they have no settled population and again I stress they're not dependencies of the Falklands, they're dependencies of Britain. Now they have no settled population and there is a right of sovereignty. Our title...after all South Georgia was discovered by Captain Cook... their title is different...we own them through a different title from the Falklands or we have sovereignty over them. So you can't, in looking at that territory.....

FB

Catalogue Reference:PREM/19/1380 Image Reference:1

LINDLEY: Apply the same test.

MRS THATCHER: Apply the same test.

LINDLEY: Just as far as the Falklands are concerned you've so far avoided giving any commitment to keep the Falklands British in the long term. Would you like to do so now?

MRS THATCHER: You simply cannot say "I believe in the right of self-determination, but I'm going to prejudge the result of that determination". The Falkland islanders wish to stay British. They did before. I should think that living under the Argentine forces for some time I should think their wish will probably be even greater. After all you can't imagine the Channel Islanders after the German occupation wanting to go German can you?

KEE: Prime Minister, doesn't this, though, giving their wishes paramountcy and saying their self-determination is the most important thing. Doesn't this mean that they have a veto over any final negotiation?

MRS THATCHER: It does mean that in a democracy you do say the most important thing is what the people who've lived in those islands for many many years — they're British stock, I can't emphasize that, for generations they've been British stock — that their wishes are the most important thing of all, not the only thing, but the most important thing of all. This is the way we've gone about bringing many many colonial territories to independence, some of them very small, none as small in population as the Falkland Islands. But you know if only there had not been this dispute with Argentina; if only she'd been prepared to be more cooperative about negotiating business contracts then it's possible there might have been a much better future for the Falkland Islands under the existing sovereignty. Because there is a possibility of oil. It's not an assured possibility, there's a possibility of oil and other resources and if those were developed then the Falkland islanders would have, I think, a much better future or a much more varied future than they have at the moment. But please let me emphasize democracy is about the wishes of the people. That's why I'm here because I was elected that way. The system matters. Sometimes you put people in, sometimes out. But it's about the wishes of the people. The people in the Argentine don't have it. So it's not surprising that the Argentine wishes to deny it to other people. But our people have it and it mustn't be said that they just give it up or that we surrender it for them.
FB

Catalogue Reference:PREM/19/1380 Image Reference:1

KEE: But could you not get a rather odd constitutional position then, sticking as closely as you do to your definition of democracy, if eighteen hundred people who are part of our fifty/sixty million population are determined to have things their way and just conceivably the British public as a whole might, were you to achieve some sort of successful solution to this problem, might say that their wishes should not be totally paramount and they should not have the final veto. Who would be right then, the eighteen hundred or the British democracy?

MRS THATCHER: I would be very surprised if Britain with her marvellous record of bringing countries to independence would ever say that. Of course when we're back there and can talk with the people then you can talk in a totally different atmosphere, then you can take everything into account, then you can persuade again. You can persuade, you can put all the arguments before; that's the way we were going before. But that is our way — persuasion. The Argentines' way is force. But then you see you come right up against the difference and the real difference in negotiation. Argentine is a military dictatorship with a junta. We are a democracy. We, therefore, of course take all our strength as government from an exercise of the wishes of the people; they take it by force.

LINLLFY: Could I make perhaps in a further comparison between the two countries, one you may reject. One of the problems Mr Haig is facing I think in getting General Galtieri of Argentina to be flexible is that if he gives ground he'll lose his job. Now you've said we have to be true to our objectives. Have you ever warned the Americans that you might not be able to continue as Prime Minister if Britain doesn't gain the objectives you say are .....

MRS THATCHER: No I haven't. But I do stand very very firmly for certain things and I'm here because I do and I shall continue to stand for those things and they are things which I believe are valuable to the world over and they are things which I believe must be upheld if we're to live in peace. General Galtieri can quite easily say that it would be an act of statesmanship to withdraw from the Falkland Islands in agreement with the wishes of the United Nations and because many of his neighbouring countries have condemned what he's done. And then naturally he would say that if he withdrew the task force too should withdraw and that of course would be a means of saving face. But is statesmanship totally out under these circumstances? There is another thing. If he withdrew he wouldn't be putting the lives of all of his young people at stake. He can keep all those lives. I do not know what will happen in the Falklands, but they must be having a terrible time on those islands. He withdraws and his young people then have a totally different future for them from the one which they're literally contemplating on the Falkland Islands and nothing would please me more than to be able to withdraw the task force after the withdrawal of the Argentine forces

FB

Catalogue Reference:PREM/19/1380 Image Reference:1

MRS THATCHER: .... from the Falkland Islands.

KEE: Prime Minister, can I just bring you back for a moment to that principle of self-determination for which you stand so firmly. If we continue to say that those islanders' views are paramount and they do have, as it were, a veto in the final negotiations what can the Argentines think there is to negotiate about?

MRS THATCHER: But you have come up right against the problem. This is the problem of a negotiation between a dictatorship which does not believe in the rights of the people — and you know how many people have disappeared — and a democracy that does. And really you've said it all for me. We're standing up for the rights of democracy, law and liberty and those are very very big things and you know if we didn't have them you couldn't even be questioning me like this here.

KEE: Quite. But of course what you're also saying is that you're standing up for negotiation.

MRS THATCHER: I'm standing up for the right of self-determination, I'm standing up for our territory, I'm standing up for our people, I'm standing up for international law, I'm standing up for all those territories — those small territories and peoples the world over — who if someone doesn't stand up and say to an invader "enough, stop", they — the small countries, the peoples, the territories — all of them would be at risk and that's one reason why we've had so much support the world over and once again other countries are looking to Britain for a lead and we mustn't fail in giving that lead.

LINDLEY: If you don't obtain the objectives you've outlined and stand so strongly for would you feel it right to go to the country?

MRS THATCHER: No. We will do our level best up to the limit of the government's ability and the splendid ability of our armed forces and they're so professional, so honourable, so confident and also our ability to try to negotiate a settlement. If we don't get a peaceful settlement it won't be our fault; it won't be Mr Haig's fault; it will be because the Argentines will not withdraw unless they keep what they invaded for and that cannot be.

LINDLEY: The polls tell us at the moment that you are riding very high in popular esteem; your handling of this crisis is well regarded. Do you think people have already forgotten that the crisis began with what Lord Carrington called "a national humiliation for Britain".

MRS THATCHER: Of course when a country invades your islands it is a humiliation, it is a humiliation, but equally you don't just throw up your hands in horror and say there's nothing we can do about it. You say those people are British. It is British

FB

Catalogue Reference:PREM/19/1380 Image Reference:1

MRS THATCHER: .... sovereign territory. An invader must not succeed. International law must be upheld. The Security Council is on our side and many other countries in the world. They still leave us to take the requisite action but I can only say that if we do not take that requisite action it'll be a very bad day for international law, for peoples in small countries and in disputed territories evarywhere and a very very bad day also for the United Nations and for peace.

KEE: Prime Minister, you've expressed your admiration for Mr Haig's efforts at peace, but I wonder if now you would like America to come down firmly on our side?

MRS THATCHER: If the negotiations don't get anywhere and I think they'll have to come to a head soon then Mr Haig I think has made it abundantly clear that if the negotiations do not succeed the United States — one of the great democracies of the world — would be on the side of Britain.

KEE: You mentioned just now "coming to a head", negotiations coming to a head. Can we still not look a little into what that might mean?

MRS THATCHER: Well, you can't go on for ever and ever with us saying look you must withdraw.....United Nations and if you withdraw.....we of course will withdraw our task force and then we'll go back to negotiations. You can't go on for ever saying that when you've sent a task force there and you'll have to decide precisely what to do with that task force. I cannot tell you precisely what those decisions will be; there are a number of options. You have to take those options not according to the length of the negotiations but according to practical considerations, including the circumstances there, the weather and so on.

LINDLEY: Prime Minister, in this summary of Conservative achievements laying the foundations you published I think ....

MRS THATCHER: Very good, isn't it?

LINDLEY: Yes. Well, I thought it's pretty good, but you laid extreme emphasis, and I quote:"Emphasis was laid on the need to assure the defence of the realm against external enemies". Now how has it felt to be found so vulnerable on ground of your own choosing?

MRS THATCHER: It's not surprising when those islands are eight thousand miles away and our main forces are committed to NATO; we keep some to deploy outside the NATO area; we also have a garrison in Belize, one side of the world in Central America; we also have a garrison in Hong Kong, on the other side of the world and we keep

FB

Catalogue Reference:PREM/19/1380 Image Reference:1

MRS THATCHER: .... a small naval presence in the Caribbean. The interesting thing is that we were able to mount the biggest naval force that has been mounted in peacetime and to mount it in seventy-two hours with the latest equipment, with the right armed forces, with all the back-up going and did you see the speed with which that ship, the UGANDA. was converted from being a cruise ship to children to seeing it sail away fully repainted with its red cross on converted with a helicopter pad. That is a tribute to everything said in there; it's a tribute to the navy.

LINDLEY: I don't think many people realize that your concept of the navy included a school children's cruise ship?

MRS THATCHER: No, of course. But I would have thought most people realized that when you have these operations those who...have only to look at what's happened in the past. You also have to have back-up from the merchant service in order to carry troops and usually to have a sufficiently large hospital ship. The Britannia is the hospital ship that's used within the NATO area... had to have a bigger one. The Suez operation was totally different from this in every way as far as the politics of it are concerned because here we're the wrong party. I only mention it because then when we set the fleet asail to sail there also merchant ships had to be requisitioned or chartered. It's not unusual you couldn't possibly keep all those numbers in for the amount of equipment and stuff that you've got to send the other side of the world.

LINDLEY: We're coming rather near the end now. May I ask a question a Falkland islander asked us to put to you. If the islanders do vote that the island should remain British will you guarantee to change your defence policy to make sure that in the future you do have enough surface ships to protect the Falklands properly even if that means the nation has to spend rather more on defence.

MRS THATCHER: You'll have to try to get an arrangement to guarantee the security of the islands. We're all very very much aware of that. It would be difficult. It has been difficult to defend it at eight thousand miles distance. We would have to get an arrangement to guarantee a security of those islands. I have not the slightest shadow of doubt that we will be prepared to be a part of it. The ship 'India' is a magnificent ship. On its own it would not be enough. There are other means and other ways of course.

KEE: Prime Minister, we've had a question too from a Falkland islander and we've only got very little time left. I think we should put a question to you that for all the concern over the Falklands crisis very many people in this country are deeply worried about. That is, of course, unemployment.

FB

Catalogue Reference:PREM/19/1380 Image Reference:1

KEE: .... Now recent figures have shown a very healthy trend in certain aspects of your economic policy: inflation down to .....single figures; productivity per man going up and yet unemployment is still around the three million mark. When can we hope to see an improvement there?

MRS THATCHER: I wish I could give you a quick easy answer. It's a problem in the whole of Europe and also in the United States and the Western world as we've had a combination of this very very big oil price increase and of course the effect of new technology coming together and the first effect of new technology is to lose jobs. The second effect is actually to gain them as all sorts of things become possible which were not possible before and you can look and see that. I cannot give you an answer to precisely when it will come down because we're facing yet another year of a lot of school-leavers because we have a lot of young people aged sixteen this year; we had to face three years. I can only tell you that the prospects will be at their best if we get inflation down and continue to get it down. Germany is still lower than we are and if we take steps to try to stimulate small businesses and new businesses because the really big companies, you know, put in the very big latest technology and it's as much as they can do to keep their labour force by expanding. So we've got to stimulate the small businesses and the new businesses.

KEE: Prime Minister may I say with very great respect we have heard you saying this now for something like three years — well over half your term of office. I think many people and many of your own supporters want to know whether there's anything else other than your own confidence to back you up?

MRS THATCHER: Yes. If you look at some work done in the United States you'll find that a fantastic number of jobs come from newly created small businesses. The worst time to create those small businesses of course is a world recession which we've been having. As you come out of it you get much much more chance to create them and of course as you come out of it the countries that have become competitive — and that is us — are the countries that get most business. So there is quite a bit of actual evidence and research work to back one up.

KEE: I think I have to say that when the Labour Party in the 1979 election used the world recession and oil crisis as an excuse you castigated them in the Conservative manifesto for doing so.

MRS THATCHER: No, we weren't into the full oil crisis then. We had to face the 1973 five fold increase in oil price most of which was over of course before the Labour Party came into power. Then when we came into power at the beginning of the Iran

FB

Catalogue Reference:PREM/19/1380 Image Reference:1

MRS THATCHER: .... problem, you remember, and of course that took out a whole large portion of production from the world suddenly and the oil price increase...I remember when I first went to Tokyo on the economic summit during my first three months in office the price of oil then was about fourteen dollars a barrel, it's now thirty-four dollars a barrel. That, of course, had withdrawn an immense amount of purchasing power from all those countries who have to buy all their oil and so therefore they can't order exports from us. This has affected the whole world. I think that was the main reason for putting it into recession. Now that oil price increase appears to be stopped or reversed a little. That is one very big hope for helping the world to come out of the recession and therefore what we've done in becoming competitive and in helping small business to start and to expand will I hope soon bear fruit.

KEE: Prime Minister, thank you very much indeed for answering all our questions on so many topics.

MRS THATCHER: It's been a pleasure. Thank you very much.

KEE: That's all from Panorama. From Richard Lindley and myself for tonight good night.

FB

SECRET

Correspondence to this address must be under double cover. The outer envelope should be addressed to The Secretary. PO Box 500 London SW1P 1XH and not to any individual.

PO Box 500
London SW1P 1XH

Telephone 01-388 3232 ext.
01-491 4488 ext.

F/195/DG/PS

21 July 1983

Dear Mr Fall,

FORGED RECORDING OF A TELEPHONE CONVERSATION BETWEEN THE PRIME MINISTER AND PRESIDENT REAGAN

Please refer to your letter dated 11 July and to John Coles' reply of 12 July. There is no information to indicate that any subversive group or individual in this country was involved in making this tape of a purported telephone conversation between the Prime Minister and President Reagan.

2.

THIS IS A COPY. THE ORIGINAL IS RETAINED UNDER SECTION 3 (4) OF THE PUBLIC RECORDS ACT

3. I am copying this letter to John Coles, Tony Rawsthorne and Richard Hatfield.

Yours sincerely

B J P Fall Esq
Foreign and Commonwealth Office

SECRET

Catalogue Reference:PREM/19/1380 Image Reference:1

Bernard.

10 DOWNING STREET

John

I have checked all transcripts of PM - Reagan conversations and other telephone conversations that the PM had during the Falklands Crisis and I can find no extract that fits in with the transcript provided.

Some records were not typed in conversation form, but as a normal meeting record. There I have not included as seem to cover the subject matter in the above transcript.

Ady
14/7

Catalogue Reference:PREM/19/1380 Image Reference:1

10 DOWNING STREET

From the Private Secretary

12 July 1983

Thank you for your letter of 11 July about the forged recording of a telephone conversation between the Prime Minister and President Reagan. The Prime Minister has noted the contents of your letter.

We shall attempt to establish whether any of the comments attributed to Mrs. Thatcher can be traced to any statements she has made. You will appreciate that this may take a little time.

I am copying this letter to Tony Rawsthorne (Home Office), Sir Robert Armstrong and the Director-General of the Security Service.

A. J. COLES

Brian Fall Esq
Foreign and Commonwealth Office

SECRET

SECRET

Foreign and Commonwealth Office

London SW1A 2AH

11 July 1983

Prime Minister

To note. This came to our attention during the election campaign.

A.J.C. 13/7.

Dear John,

Forged Recording of a Telephone Conversation between the Prime Minister and President Reagan

The Foreign and Commonwealth Secretary thought that the Prime Minister would wish to know that the Embassy in The Hague recently passed to London a tape recording of a purported telephone conversation between the Prime Minister and President Reagan during the Falklands crisis. The call was allegedly recorded by a source in British Telecom. This recording was originally passed to a number of Dutch newspapers before the General Election, probably with the intention of causing embarrassment to the Government at that time. We know that the US Embassy in The Hague were also passed a copy of the tape together with what was said to be a Dutch transcript of the conversation.

The tape itself is of poor technical quality. But at FCO request SIS have now examined it. I enclose a transcript which they have prepared of the remarks which the Prime Minister and President Reagan made during the alleged conversation.

On the basis of the technical analysis they have made so far, SIS have concluded that this is probably a 'voice-patch' forgery, perhaps drawing upon various statements which the Prime Minister and President Reagan have made publicly over recent months. As you will see, the remarks which Mrs Thatcher and President Reagan are recorded as having made do not hang together as a coherent dialogue. But this is scarcely surprising in the circumstances.

The basic objective of the perpetrators is perhaps better revealed from the letter which was sent to the Dutch newspapers with the tape, as well as in the 'transcript' in Dutch which the Americans have translated. There are major discrepancies between this 'transcript' and the actual recording. I enclose a copy of both this 'transcript' and of the letter.

/This

SECRET

Catalogue Reference:PREM/19/1380 Image Reference:1

S E C R E T

This looks like a rather clumsy operation. We have no evidence so far about who was responsible. SIS doubt whether this is a Soviet operation. It is possible that one of the Argentine intelligence services might have been behind it: or alternatively it might be the work of a left-wing group in this country (some of the names quoted in the letter seem to point in this direction). But at present this is speculation. We shall ask the Security Service if they can throw any light on the provenance of the tape.

There is, however, little doubt that the voices in the recording are those of Mrs Thatcher and President Reagan. It would be useful to know whether any of Mrs Thatcher's comments can be traced to telephone conversations which she may have had on open lines or more probably to statements she has made either in Parliament or to the media. Perhaps you could look at this aspect and let me know whether it is possible to reach any conclusions on this point.

I will check. It will take some time. A.J.C. 9/12.

For their part, the Americans are attempting to make a similar check. Their preliminary technical analysis supports the conclusion that it is a clear fabrication. We understand that the Americans have agreed with the Dutch newspaper from which they received the tape that they will provide an analysis of the tape for publication. But the Americans are still some way from completion of their study of the material and will let us know their findings before anything is published.

I should add that the tape itself could be made available if you wished. But - as can be inferred from the gaps in the transcript - it is not at all easy to listen to.

I am sending copies of this letter to Tony Rawsthorne (Home Office), Sir Robert Armstrong, and the Director-General of the Security Service.

Yours ever

(B J P Fall)
Private Secretary

A J Coles Esq
10 Downing Street

S E C R E T

Catalogue Reference:PREM/19/1380 Image Reference:1

TRANSCRIPT OF ALLEGED CONVERSATION BETWEEN MRS THATCHER AND PRESIDENT REAGAN

Cassette Log (Mins, Secs)	Speaker	Dialogue
0.00	-	Big Ben
	R	..... I urge restraint. It is absolutely essential that the whole area be (transformed ?)
	T	..... that's the fundamental difference.
	R	..... Secretary Haig .....
	?	..... be able to find a solution.
	R	..... whatever the nature of the controls.
	R	..... the Argentinians were then moving ..... that Secretary Haig had reached an agreement.
0.30	T	Argentinia (sic) was the invader. Force has been used ..... it's been used .....as quickly as possible
	R	Oh God. It's not right to cause ..... Those missiles that we followed on the screens ..... we gonna have to ..... and we're not going to let them do it.
0.47	?	..... what I said before.
	T	Thank you.
	T	..... block (incentives ?) at all levels.
0.58	R	..... a Third World submarine, ballistic missiles and (that ?) the United States forces remain deployed and the intermediate range missiles of US defence, the proposed (building ?) in Europe ..... the economy .....

/...

Catalogue Reference:PREM/19/1380 Image Reference:1

Cassette Log (Mins, Secs)	Speaker	Dialogue
	T	These are.....
	R	..... Social Programme ..... the United Kingdom is a ..... a (revelation ?)
1.19	T	..... the nature of the country's long term international markets.
	R	We are supported by our allies when we cannot .....
	T	I don't understand you.
1.26	R	..... effective limitation of the Soviet Union
	T	..... and Germany.
1.37	R	If any country except ours should endanger the (organisation ?, position ?) we might ..... the area and correct the imbalance.
	T	(Dick, might .....?)
1.45	R	This will convince the Soviets to listen. We've demonstrated our strength ..... The Soviets have little incentive to launch an attack .....
	T	Our good ..... ?
	?	Let that be understood!

+THATCHER-REAGAN TELEPHONE CONVERSATION RECORDED DURING FALKLANDS WAR

T: ...OWN BUSINESS.

R: I URGE YOU TO CONTROL YOURSELF. THATS ABSOLUTELY NECESSARY, FOR OTHERWISE THE AREA WILL BE DEVASTATED.

T: LISTEN, OUR GOALS ARE TOTALLY DIFFERENT. AL HAIG....

R. SECRETARY HAIG....

T. ....SEEMS NOT ABLE TO BRING ABOUT A SOLUTION.

R. WHY WAS THE +BELGRANO+ DESTROYED? YOU GAVE THE ORDERS TO DO IT. THE ARGENTINES WERE LEAVING AT THAT TIME....SECRETARY HAIG HAD REACHED AN AGREEMENT.

T: ARGENTINE WAS THE INTRUDER. WE HAVE TO USE VIOLENCE. AT THIS MOMENT IT IS BEING USED TO PUNISH THEM AS QUICKLY AS POSSIBLE.

R: OH, LORD, THATS NOT TRUE. DUE TO YOU, THE SHEFFIELD HAS BEEN HIT. WE DETECTED THE (EXOCET) MISSILES ON OUR RADAR= YOU MUST HAVE ALSO. BUT YOU DIDNT WARN THEM (ON THE SHEFFIELD). WHAT ARE YOU TRYING TO ACHIEVE WITH THAT?

T: WHAT I TOLD BEFORE - ANDREW - AS THE MISSILES WILL BE IN OUR COUNTRY, I WANT TO CONVINCE EVERYBODY AND EVERYTHING OF THE USE OF THAT (OF THEIR VALUE).

R: THERE IS AN AGREEMENT...YOULL GET A THIRD MORE BALLISTIC SUBMARINE MISSILES, IN EXCHANGE FOR WHICH YOU WILL TAKE CARE OF US FORCES TO KEEP THEIR STRENGTH. THE INFS ARE MEANT TO DEFEND THE US. YOU SUGGESTED BUILDING THEM IN EUROPE FOR THE SAKE OF THE ECONOMY. THEYRE NOT FUNCTIONAL, HOWEVER, THOSE ARE SOCIAL-ECONOMIC PROGRAMS....THE BRITISH MONARCHY IS A... UH...SMALL COUNTRY.

T: AND YET YOU STILL NEED THOSE SMALL COUNTRIES. AND IT HAS BEEN ARRANGED SO THAT IN THE LONG RUN YOULL HAVE INTERNATIONAL MARKETS.

R: WERE BEING SUPPORTED BY OUR ALLIES, WHETHER THEY WANT TO OR NOT.

T: I -- I DONT UNDERSTAND WHAT YOU MEAN.

R: IF THERE IS A CONFLICT, WELL SEND MISSILES TO OUR ALLIES TO MAKE SURE THE SOVIET UNION WILL STAY WITHIN ITS BORDERS.

Catalogue Reference:PREM/19/1380 Image Reference:1

T: YOU MEAN GERMANY?

R: MRS. THATCHER, IF ANY COUNTRY ENDANGERS OUR POSITION, WE CAN BOMB THE PROBLEM AREA SO AS TO PROLONG THE INSTABILITY.

T: THAT DID YOU SAY...?

R: IT WILL CONVINCE THE SOVIETS THEY HAD BETTER LISTEN. WE DEMONSTRATE OUR POWER WITH IT..THE SOVIETS NEED LITTLE ENCOURAGEMENT TO START ATTACKING.

T: WEBRITISH PEOPLE.

R: LONDON...

T: WHAT..?

R: IF ITS CLEAR TO YOU....?

Catalogue Reference:PREM/19/1380 Image Reference:1

Dear Sirs,

I have the pleasure to send you herewith a copy of a recorded telephone conversation between Mrs THATCHER and President REAGAN. The conversation took place during the Falklands War. A translation of this conversation is also enclosed.

I hope that you can appreciate that, in view of the way in which I was able to lay my hands on the tape in question, it would be injudicious of me to reveal my name. I must alas remain anonymous. Details of the above-mentioned recorded telephone conversation between THATCHER and REAGAN have, since the Falklands War, been considered as true by both journalists and various British MPs. Amongst these are:-

Tam DALYAL - MP

Paul FOOT - Daily Mirror

Duncan CAMPBELL - City Limits

Duncan CAMPBELL and others - New Statesman

John PILGER - Daily Mirror

E P THOMPSON - European Nuclear Disarmament

Etc.

The telephone conversation confirms at last all of their misgivings and what they already knew.

The Argentine ship "General Belgrano" was - probably by order of THATCHER herself - torpedoed when it was outside the war zone and was sailing away from it. The torpedo attack caused the deaths of 600 men. It should also be recorded that this act of war took place when the US Minister HAIG and both warring parties had in principle agreed to a cease-fire, which only needed to be signed. It is obvious that THATCHER knew about this. Reuters reported at the time what happened during the night of the torpedo attack.

The "HMS Sheffield" (of the British Navy) was not warned when the Exocet missiles were on their way towards the ship. The ship was hit and as a result she later sank. All of this happened as the Sheffield was close to HMS Invincible (with Prince Andrew on board) which had picked up the missiles on its radar screen and took action against them. Because the Sheffield had not been kept informed of everything, not only was the ship hit, but also many more lives were lost than would have been the case if the ship had been well prepared.

/From....

From a political point of view however the consequences were favourable. The affair ensured that to a man the public supported the war. And the monarchy was also protected. It also ensured that the protests of those who are against missiles now got much less of a response. And other more cautious action groups have been much quieter since the Falklands war in order to retain a foothold.

The 'deal' which is mentioned in the telephone conversation, appears to relate to the submarines semi-equipped with Trident, which Britain is at this moment buying from America, and with the increasing role which Britain is assuming as a launching base for American weapons.

The American nuclear plans for the European continent are now common knowledge, but it was not known how far advanced they already were.

During the Falklands war, the British press was not admitted to the battle zones (news teams from CBS were threatened with violence when they reputedly wanted to try and enter the zone) and the facts and suspicions, which they nevertheless were able to bring out into the open, were answered with 100% denials and the charge of wanting to betray the country.

It seems clear that the hard facts in the telephone conversation under discussion cannot be published in England due to pressure from the British government. That will only be possible if they first appear in the press outside England.

Since the Falklands war, Argentina has rearmed itself (partly with money borrowed from the EEC, including Britain with £100,000,000) Argentina now has at her disposal the right weapons to attack ships, for example. At the time most of the British ships were hit by bombs, which did not explode, because they were designed for targets on dry land.

If the Argentinians are not persuaded by the British government to come to a good agreement, they will once again attack the British on the Falklands. And it looks as though THATCHER would then attack the Argentinian mainland, thereby causing an all-out war in South America. The chance is then just as great that this would lead to the outbreak of a conflict between America and the ~~MXXUSSR~~ (Argentina is of vital importance to the USSR as a grain supplier).

If this information is published on the continent and subsequently in England before the elections - a publication which accompanies the disclosure of the telephone conversation in question (obtained from a source at British Telecom) - there is then a chance that it would give rise to a public debate. And that could ensure that under international control a diplomatic treaty is concluded between Britain and Argentina. If that does not happen however before the forthcoming British elections, there is a very great possibility that no such treaty will ever take place, with all the ensuing terrible consequences for international peace.

PLEASE THEREFORE PUBLISH THIS STORY

Catalogue Reference:PREM/19/1380 Image Reference:1

TRANSCRIPT OF ALLEGED CONVERSATION BETWEEN MRS THATCHER AND PRESIDENT REAGAN

Cassette Log (Mins, Secs)	Speaker	Dialogue
0.00	-	Big Ben
	R	..... I urge restraint. It is absolutely essential that the whole area be (transformed ?)
	T	..... that's the fundamental difference.
	R	..... Secretary Haig .....
	?	..... be able to find a solution.
	R	..... whatever the nature of the controls.
	R	..... the Argentinians were then moving ..... that Secretary Haig had reached an agreement.
0.30	T	Argentinia (sic) was the invader. Force has been used ..... it's been used .....as quickly as possible
	R	Oh God. It's not right to cause ..... Those missiles that we followed on the screens ..... we gonna have to ..... and we're not going to let them do it.
0.47	?	..... what I said before.
	T	Thank you.
	T	..... block (incentives ?) at all levels.
0.58	R	..... a Third World submarine, ballistic missiles and (that ?) the United States forces remain deployed and the intermediate range missiles of US defence, the proposed (building ?) in Europe ..... the economy .....

/...

Catalogue Reference:PREM/19/1380 Image Reference:1

Cassette Log (Mins, Secs)	Speaker	Dialogue
	T	These are.....
	R	..... Social Programme ..... the United Kingdom is a ..... a (revelation ?)
1.19	T	..... the nature of the country's long term international markets.
	R	We are supported by our allies when we cannot .....
	T	I don't understand you.
1.26	R	..... effective limitation of the Soviet Union
	T	..... and Germany.
1.37	R	If any country except ours should endanger the (organisation ?, position ?) we might ..... the area and correct the imbalance.
	T	(Dick, might .....?)
1.45	R	This will convince the Soviets to listen. We've demonstrated our strength ..... The Soviets have little incentive to launch an attack .....
	T	Our good ..... ?
	?	Let that be understood!

Mr. Ingham. AIC 97

MR COLES 26. 5

cc Mr Hatfield

I today received Mr Woltz, the new editor of NRC Handelsblad - the Times of Holland - and his successor as London correspondent, M E Chavannes.

The prime purpose of the meeting was for Mr Woltz to introduce Mr Marc Chavannes to me.

He had, however, warned me that he would also seek my advice on an alleged tape recording of a conversation between the Prime Minister and President Reagan during the Falklands campaign.

Mr Woltz produced for me his transcript of the tape recording (Annex I) plus his translation from the Dutch of the covering letter (Annex II).

After reading the transcript and listening to the tape I told Mr Woltz that I regarded the whole thing as a fabrication, a hoax, a put up job. I said the eccentric and unstructured nature of the transcript (and actual conversation) did not ring true; that the voice simply did not sound anything like that of President Reagan - it was far too fluent and articulate for the man in ordinary animated conversation; and that the Prime Minister on tape did not sound like her, though it sounded closer to the real thing than Reagan's alleged voice on the tape.

I promised Mr Woltz to check with someone who had closer knowledge of any Prime Ministerial conversations with President Reagan during the Falklands and to let him know later our view of the tape.

I consulted you over lunch and on the evidence of the transcript you pronounced the conversation a total fake.

Catalogue Reference:PREM/19/1380 Image Reference:1

At 4.00pm today I informed Mr Woltz that my initial judgement had been confirmed by a more reliable witness. He should regard the tape as a total fabrication.

In response to questions I said we had no idea who might be responsible but we would of course investigate on the basis of the information he had supplied. It would be helpful if he would let us have a copy of the tape as well as the transcript and covering letter. This he agreed to do, hoping that we would let him know the outcome of our inquiries.

I thanked him for this offer.

Mr Woltz confirmed that the tape had been posted to him in Amsterdam; that the transcript (Annex I) was his work; and that the translation of the covering letter (Annex II) was also his work.

He noted that the final paragraph of the covering letter said that the tape of the alleged conversation was procured from British Telecom.

You may care to consider whether B/Telecom should be alerted.

I don't think so. I don't believe it. A.J.C. 26/5

On the basis of my guidance I do not believe that Mr Woltz will make use of the tape recording.

B. INGHAM

25 May 1983

ANNEX I

THATCHER_ REGAN

A TELE HONE CONVERSTAION RECORDED DURING THE FALKLAND WAR

T: .... your own business !
R: I must urge you to control yourself. That is absolutely necessary otherwise the area will go to the dogs.

T: Listen,our aims are completely different. Al Haig..

R: Secretary Haig....

T: ... does not seem to be able to find a solution.

R: Why was the Belgrano destroyed? You took the lead. The Argentines were sailing away at that moment.. Secretary Haig had reached an agreement.

T: Argentina was the ~~intruder~~ invader! ~~Force must be used~~ We must use force. And force is being used at the moment to punish them as soon as possible

R: Oh, God that is not true.You are the cause that the Sheffield was hit. We followed the (-Exocet-) missiles on our radar-screens, you must have done the same.You did not comminicate this to them (of the Sheffield). What did you hope to gain ?

T:What I told you before... Andrew- ... And now that the ~~missiles~~ missiles will come into our country, I will persuade anybody of their usefulness..

R: There is an agreement.. You will receive one third more submarine based ballistic missiles and in return you take care that the forces of the US can be kept at strength permanently. The medium-range missiles are ment for the defense of the United States. You proposed to build them in Europe for economic reasons. That is not functional, the programs are social economic. The United Kingdom is -- eh... small country

T: You still need these small countries. You can be sure now that for a long time international markets are available to you.

R: Our allies support us, whether they like it or not

T: I, I do not understand what you mean...

R:In case of a conflict we will launch missiles at our allies to make sure that the Sowjet Union stays inside its borders.

T: You mean Germany ?

R: Mrs Thatcher, if any country endangers our position, we can bomb the " problem-area " to eliminate the instability.

T: Beg your pardon...

R:It will convince the Soviets to listen. We demonstrate our force with it.The Soviets do need little stimulation to attack..

T: Our British Nation....

R: London!....

T: What...
R: If it is only clear to you

Catalogue Reference:PREM/19/1380 Image Reference:1

ANNEX II

Dear Sir,

Herewith I send you a taped telephone conversation between Mrs Thatcher and President Reagan. The conversation took place during the Falkland war. Enclosed you also find a translation of this conversation.
I hope that you will appreciate that, in view of the way I got hold of the tape in question, it would not be sensible for me to give you my name. I regret I have to remain anonymous.

Details of this taped telephone conversation between Thatcher and Reagan have after the Falkland war been confirmed by journalists and several British Members of Parliament. Among others: Tam Dalyal M.P; Paul Foot (Daily Mirror); Duncan Campbell (City Limits); Duncan Campbell and others (New Statesman); John Pilger (Daily Mirror); E.P. Thompson (European Nuclear Disarmament) etc.
The telephone conversations at last confirms all their worst fears and what they knew already.

The Argentinian ship General Belgrano was probably torpedoed at the personal command of Thatcher while outside the exclusion zone and while moving further away from it. The sinking cost 600 lives.
It should also be mentioned that this act of war took place when US minister Haig and both warring parties had in principle agreed on a cease fire, which only needed their signatures. Of course, Thatcher knew this. At the time, Reuters reported the events of the night before the sinking.

The HMS Sheffield (of the British Task Force) was not warned when Exocet missiles were approaching. The missiles hit the ship, which later sank. While this was happening the Sheffield was near the HMS Invincible (with Prince Andrew aboard), who had discovered the missiles on her radar and took action. Because the Sheffield was not informed, not only was the ship hit, but because of this there were also many more lives lost than would have been the case had the ship been on the alert.
The effect however was favourable, politically speaking.
The loss united public support for the war. At the same time, the monarchy was protected. And as a result, the protests of the opponents of the missiles have gone unheeded since then. Other, more circumspect action groups have also had less success after the Falkland war.

The "deal," which is mentioned in the telephone conversation, seems to concern the only partly armed Trident submarines, which England Britain buys from the U.S, and the increasing part England Britain is playing as launching base for American weapons.

The American plans nuclear plans for the Continent of Europe are by now more widely known than they were, but it was not yet known how far they go.

The British press was not admitted to the war zone during the Falkland war (news teams from CBS were threatened with violence if they were to try and enter the "zone") and the facts and surmises which they nevertheless gathered, were answered with complete denials and accusations of treason.
It seems clear that the hard facts in this telephone conversation cannot be published in Britain because of pressure by the British government. This will only be possible if they appear in the foreign press first.

After the Falkland war, Argentina has rearmed (partly with money borrowed from the EEC, including £ 100 million from Britain).
Argentina now has the right weapons to attack ships, for example.
Most of the British ships were hit by bombs which did not explode, because they were only suitable for targets on land.

Catalogue Reference:PREM/19/1380 Image Reference:1

If the Argentines ~~will~~ are not be encouraged by the British government to reach a proper agreement, they will attack the British on the Falklands again. And it seems likely that Thatcher then will attack the ~~continent of Argentina~~ mainland of Argentina, causing a "total" war in Latin America. It is also on the cards that a conflict between America and the USSR will follow (Argentina is of vital interest to the USSR as grain producer).

If this information is made public on the Continent and later in Britain before the elections - together with publication of the telephone conversation, which was procured from a source in British Telecom - then there is the possibility of a public debate. And that could lead to a diplomatic treaty, internationally controlled, between Britain and Argentina. However, if this does not happen before the coming election, there is every chance that such a treaty will never be signed - with terrible results for world peace. ~~Therefore~~ THEREFORE PLEASE PUBLISH THIS STORY.